



# City Light Lease Settlement Announcement



## FACTSHEET: Major Terms of the City Light Lease Settlement

### **Financial Terms**

- I&M would pay the City a total of \$39.2 million over 15 years, with \$5 million of that coming as an upfront payment.

### **Waiver of City's Claims**

- The City waives its claim to provide electric service to customers in Fort Wayne.
- The City acknowledges I&M is the exclusive electricity supplier in Fort Wayne.
- The City settles damages claims under the Service Area Assignment Act.
- The City waives the right to purchase betterments or improvements I&M made to the Leased Property.

### **Non-Lease Claims and Pension Issues**

- The City pays I&M \$550,000 for non-Lease related services performed by I&M.
- The City agrees to work with I&M to wind-down the City Light pension plan, with the City keeping any overfunded amount in the plan (approximately \$700,000).

### **Transfer of Leased Property and Escrow**

- The lease is terminated and all claims under the lease are released.
- The City will transfer Leased Property, including real estate, to I&M.
- Amounts I&M has paid into escrow since Feb. 28, 2010 will be released.

### **Approval of Agreement**

- Agreement is subject to approval by the Fort Wayne City Council and the Indiana Utility Regulatory Commission.
- The City and I&M will work together to obtain necessary approvals.
- If City Council or the Commission do not approve the Agreement in its entirety, either party has the option to declare the Agreement null and void.